

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

DATE: SEPTEMBER 6, 2018

LOCATION: ROOM 2000 - CITY HALL

AGENDA

1. Introductions and Chair remarks (Chair) 7:00 p.m.
2. 2000 North Beauregard Affordable Housing Plan (Helen McIlvaine/Jonathan Rak) 7:05 p.m.
Staff presentation will include a short refresher on the Beauregard Small Area Plan
Action Requested: Review and Vote on Affordable Housing Plan
3. Loan Modification for King and Gateway Project (Helen McIlvaine/Jon Frederick) 7:30 p.m.
Action Requested: Review and Vote on Loan Modification Request
4. Loan Modification for Carpenter's Shelter Project (Helen McIlvaine/Jon Frederick) 7:40 p.m.
Action Requested: Review and Vote on Loan Modification Request
5. Route 1 South Housing Affordability Strategy Update (Tamara Jovovic) 7:50 p.m.
6. Consideration of June 27, 2018 meeting minutes (Chair) 8:05 p.m.
Action Requested: Review and Approve Minutes
7. Alexandria Redevelopment and Housing Authority Update (Carter Flemming) 8:10 p.m.
8. Alexandria Housing Development Corporation Update (Jon Frederick) 8:20 p.m.
9. Information Items: 8:30 p.m.
Financial Report
FY 18 Housing Master Plan Progress Report
Update re Resolution 830
10. Staff Updates 8:40 p.m.
11. Announcements and Upcoming Housing Meetings (Staff) 8:45 p.m.

Route 1 South Housing Affordability Strategy
Planning Commission Public Hearing, September 4; 7:00 pm, City Hall
City Council Public Hearing, September 15: 9:30 am, City Hall
12. Other 8:50 p.m.
- Adjournment (Chair) 9:00 p.m.

City of Alexandria, Virginia

MEMORANDUM

DATE: AUGUST 29, 2018

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE (AHAAC)

FROM: HELEN S. McILVAINE, DIRECTOR, OFFICE OF HOUSING

SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR 2000 N. BEAUREGARD (MONDAY PROPERTIES)

ISSUE: Affordable Housing Plan for 2000 N. Beauregard.

RECOMMENDATION: Approve Beauregard LLC's Affordable Housing Plan in light of the proposed development's role as a "catalyst" in facilitating the City's goals regarding infrastructure for the West End Transitway, while confirming that housing affordability conditions and recommendations consistent with CDD #21 and the Beauregard Small Area Plan will apply to future development or redevelopment. With regard to this development, the City's future buy down option to secure committed affordability in up to 15% of the units (44) pursuant to Condition 60 in CDD #21 is affirmed.

BACKGROUND: 2000 Beauregard LLC, an affiliate of Monday Properties ("Applicant"), has submitted an Affordable Housing Plan, as required by CDD #21 related to DSUP #2017-0019 which proposes demolishing vacant office space in Beauregard's Adams neighborhood and replacing it, along with converting square footage for other planned office and hotel development uses, with a residential structure that will include 292 multifamily units, and pool and clubhouse amenities. In addition, the Applicant will donate right-of-way spanning its holdings along Beauregard Street critical to construction of the future West End Transitway. Applicant's development proposal is the first to come forward in the Beauregard area since the Beauregard Small Area Plan (Plan) was approved in 2012 and reflects a significant variation from the type of commercial (office, hotel, retail) development the Plan anticipated, due primarily to changed market conditions.

The 2012 Beauregard Small Area Plan, a multiyear effort, was intended to shape the anticipated future redevelopment of a corridor area containing more than 2,400 market affordable units in multiple garden-style apartment buildings, a suburban office campus, and a retail shopping area. Working with the area's five major property owners, the City engaged neighbors, apartment residents potentially impacted by the proposed redevelopment and other community stakeholders, to develop a Plan that would incorporate a number of public benefits, infrastructure improvements and other amenities as redevelopment occurred, including replacement of approximately 32% of the apartments proposed to be demolished with 800 committed affordable housing units, with one-half affordable at 40% AMI.

The displacement of existing households, including the anticipated barriers many impacted residents would face in securing replacement housing elsewhere in the City, made housing affordability, relocation support and provision of future opportunities to return to committed affordable units in Beauregard, priorities of the Plan and the two subsequent CDDs that addressed development in specific neighborhoods. At City Council's request, throughout the planning process AHAAC and the Landlord Tenant Relations Board provided guidance on housing issues, with AHAAC being charged to monitor implementation of the Plan's housing recommendations. The infrastructure improvements and public benefits, including committed affordable housing, envisioned in the Plan are anticipated to be implemented over a 20-30 year period, as phases of development occur, pursuant to a funding plan totaling nearly \$260 million, including developer monetary contributions, donations of land for right of way dedications for transportation and a fire station, and donations of some apartment buildings for use as committed affordable housing, as well as monies derived through an increment of future City tax revenues generated by redevelopment.

To achieve the Plan's ambitious housing goals, more than 40% of the funding plan's value was earmarked for housing purposes, however, expenditures for infrastructure necessary to support the anticipated redevelopment would be funded first, with monies programmed for housing dollars thereafter. Since funding for housing would catch up once infrastructure needs were covered, conditions to allow the City to "buy down" affordability in up to 15% of units in every neighborhood for a period extending 15 years beyond the delivery of key improvements were included in the CDDs to ensure a geographic distribution of the committed affordable units, when resources were available, could be achieved.

DISCUSSION: Redevelopment in Beauregard has not occurred as planned. The garden apartment communities, owned by Home Properties and JBG, have not redeveloped. JBG's portfolio was sold to Morgan Properties in 2016, and Morgan has indicated that it plans to renovate and maintain the properties, as is, at least through the mid-term. Home Properties announced a similar intention shortly after the CDDs were approved, assuming redevelopment, in 2013. Although private development has largely stalled, the City has been successful in creating affordable housing resources in the area, including placements into the 105 committed affordable units provided at Southern Towers, and by providing financial support for nonprofit-sponsored affordable housing developments at St. James Plaza (93 units), the Gateway at King and Beauregard (74 units) and The Spire (113 units). The projects will have rents affordable to households with incomes between 40-60% of AMI. As provided by the Plan, Housing has created a database of households residing in the apartments and continues outreach efforts, including providing information about housing affordability resources and city services, including workforce development.

Applicant's proposal is consistent with market trends preferring residential development. To potentially spur other Beauregard redevelopment, secure right of way critical to the West End Transitway, and preserve the improvements and public benefits envisioned in the Plan and CDD #21 as redevelopment occurs in the future, the City has agreed to treat the DSUP as a catalyst project and relieve it of some of the burdens of development embedded in the Plan, including obligations related to the provision of onsite affordable housing. It is important to note that preserving the CDD will generate a significant developer contribution of nearly \$4 million, of which eventually \$1.7 million will be programmed for housing. In addition, the City will maintain its option to buy down committed affordability in up to 15%

(42) of the 292 units now being proposed. Importantly, in its Affordable Housing Plan the Applicant states that “if future redevelopment (of the Adams neighborhood) includes conversion of planned office use to residential use, then the conditions requiring affordable housing will apply.” Potentially, based on CDD conditions regarding additional development and density, this means that future development will proceed as “bonus density” with a significant yield of affordable housing resulting.

Staff will brief AHAAC on key housing provisions of the Beauregard Small Area Plan and CDDs #21 and #22 at the September 6 meeting, however, Committee members may prepare for the meeting by reviewing the Plan and related documents online at www.alexandriava.BeauregardPlan.com.

FISCAL IMPACT: Developer contribution of \$3,979,443 includes almost \$1.7 million for future affordable housing purposes envisioned in the Beauregard Small Area Plan.

ATTACHMENTS:

2000 N. Beauregard Affordable Housing Plan

STAFF:

Eric Keeler, Deputy Director, Office of Housing

Tamara Jovovic, Housing Analyst, Office of Housing

***2000 N. Beauregard Affordable Housing Plan
August 7, 2018***

1.1 Project name and address

2000 N. Beauregard Street

1.2 Application number

DSUP #2017-0019

1.3 Brief description of the application and the proposed development program

2000 Beauregard LLC (“Applicant”), an affiliate of Monday Properties, proposes to demolish an existing 102,090 square foot, vacant office building and construct approximately 292 new multi-family units along with an outdoor pool and clubhouse.

1.4 Requested zoning changes or waivers (if any)

CDD #21 Amendments

The Applicant has applied to amend CDD/ coordinated development district #21 to replace approximately 306,000 square feet of planned office and hotel floor area with approximately 292 multi-family units and to allow structured parking with one level of underground parking.

Beauregard Urban Design Standards and Guidelines Amendments

The Applicant has proposed the following revisions to the Design Standards:

- a. revise the maximum building heights on the subject property from 110 ft. and 45 ft. to seven and six stories
- b. modify setback requirements

1.5 The Small Area Plan in which the project is located and a brief discussion of how relevant affordable housing goals and recommendations are being addressed by the AHP

The property is located in the Adams Neighborhood of the Beauregard Small Area Plan (“BSAP”). A primary focus of the BSAP is the retention or replacement of existing market affordable housing. The Adams Neighborhood currently has no residential uses and was not originally planned to include any residential uses. Therefore, the provision of 292 new market rate apartments will increase the overall supply of housing in the BSAP and relieve some pressure on rent increases in the market. Furthermore, the proposed redevelopment is considered a catalyst project that will provide right of way dedication and funds necessary for the construction of the planned improvements to the Seminary Road/ North Beauregard Street intersection (described as the Ellipse) and the High Capacity Transitway. Even though no income-restricted units are proposed as part of this redevelopment, the BSAP anticipated that resources would initially be applied to transportation needs in the early stages of plan implementation.

2. Description of the AHP to include:

2.1 Number, type (rental/for-sale), size (number of bedrooms), level of affordability (% of Area Median Income), and length of affordability of proposed affordable units

None.

2.2 General description of location of affordable units in the project

None.

2.3 Confirmation that residents of affordable units will have equal access to all amenities available to residents of market-rate units

Not applicable.

2.4 Number, type (rental/for-sale), size (number of bedrooms), level of affordability (% of Area Median Income), and length of affordability of existing affordable units being demolished as part of redevelopment (if any)

None.

2.5 Brief discussion of tenant relocation plan approved by the Landlord-Tenant Relations Board (if applicable)

Not applicable.

2.6 Description of the phasing of the project and any implications it may have on the delivery of units (if any)

The proposed 292 apartments are planned to be delivered in a single phase. The balance of the Adams Neighborhood consists of office buildings in the Beauregard Professional Center and the Clyde's Restaurant. The office buildings have been leased to a variety of office tenants and there are no immediate plans for redevelopment. The Applicant does not currently own the Clyde's Restaurant property (1700 N. Beauregard St.).

2.7 Description of any voluntary contributions to be made to the Housing Trust Fund in addition to the provision of affordable units (if any)

The conditions of CDD #21 require a developer contribution of \$3,979,443 (\$12.80 per square foot) as part of the CDD development special use permit (DSUP) to implement the public benefits listed in the BSAP, including affordable housing. This compares to the expected voluntary contribution of \$798,660 if the property were developed under the "by-right" OC zoning. Although the use of the BSAP developer contribution initially is applied toward

transportation improvements, at build-out, 41% of the total developer contributions are to be applied to affordable housing.

The developer contribution for this application will primarily be used for transportation improvements. The BSAP “recognizes that the cost to develop and maintain committed affordable units over time, while a high priority still, needs to be balanced with other Plan public benefits such as transit and a new fire station.” BSAP p. 84. In accordance with Table 8 of the BSAP, public benefit funding for the ellipse and rapid transitway occurs in the earlier years and public funding for affordable housing increases in the later years. The improvement of transportation options for all residents creates the foundation for increased affordable housing in the future.

2.8 Any other information the applicant deems relevant to the AHP

The Applicant initially proposed to re-develop the property pursuant to the underlying OC zoning district, which allows multi-family residential at a density of 54.45 dwelling units per acre without a special use permit. With the existing office buildings, sufficient land area is available to support the proposed 292 units at this density. In response to a request from Planning & Zoning, the Applicant agreed to apply for a CDD DSUP that requires 1) significant land dedications and developer contributions to support the goals of the BSAP and 2) compliance with the Beauregard Urban Design Standards and review of the proposed buildings by the Beauregard Design Advisory Committee.

At some time in the future, the balance of the Adams neighborhood may redevelop pursuant to the BSAP and CDD #21. If future redevelopment includes conversion of planned office use to residential use, then the conditions requiring affordable housing will apply. This current application will advance the affordable housing goals of BSAP by 1) providing significant developer contributions to create foundational transportation improvements that will facilitate future affordable housing and 2) providing additional market multi-family housing without displacing any existing housing.

City of Alexandria, Virginia

MEMORANDUM

DATE: AUGUST 29, 2018

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE (AHAAC)

FROM: HELEN S. McILVAINE, DIRECTOR, OFFICE OF HOUSING

SUBJECT: CONSIDERATION OF A REQUEST FROM AHDC FOR AN INCREASE OF \$700,00 TO THE CITY LOAN AMOUNT APPROVED FOR THE GATEWAY APARTMENTS PROJECT

ISSUE: Additional City loan funds of \$700,000 for AHDC's 74-unit Gateway affordable housing development.

RECOMMENDATION: Approve additional loan funds of \$700,000 bringing the total permanent City loan amount to \$6.2 million.

BACKGROUND: At its November 14, 2015 public hearing, City Council approved a loan to AHDC of "up to \$5.5. million" for a 74-unit affordable housing building that is part of the Gateway at King (now branded "West Alex") mixed-use development which also includes market rate apartments, a Harris Teeter grocery store and other office and retail space. The loan amount included a previously authorized predevelopment loan of \$350,000.

The City closed on its permanent loan to AHDC in February 2018. Construction of the project has been ongoing since early Summer 2017, with the Prime Developer performing site work, excavation, and construction of the underground parking garage and a ground level retail center that provides the podium upon which AHDC will build its apartments. The full financial closing for the transaction (tax credits, construction and permanent first trust debt) will take place when the podium is delivered in mid-September.

Due to recent escalations in construction costs, and uncertainty regarding the pricing of materials in the future due to tariff issues, a shortfall in the construction budget, of approximately \$700,000, has emerged which cannot be addressed through steps already taken to mitigate the cost issues (including value engineering, additional VHDA soft loan funding and AHDC maximizing the developer fee it defers). In order to keep this project moving forward, AHDC has requested additional City support.

DISCUSSION: Construction costs are rising at unprecedented rates. The structuring of this project (where the full financial closing could not occur until a condominium regime was established at

“substantial completion” of the first condominium unit) has resulted in cost inflation that cannot be addressed through non-City sources which are now fully leveraged. The additional loan amount means that the City’s per unit investment will increase from \$74,324 to \$83,784. This new per unit amount is consistent with what the City is seeing in other tax credit projects underway or in the pipeline throughout our area. Increasing the City’s loan to close the gap will keep construction of the Gateway project on track and preserve the \$27+ million in committed non-City (public and private) dollars committed.

FISCAL IMPACT: \$700,000 from the Housing Opportunities Fund to be added to the existing permanent residual receipts City loan.

ATTACHMENTS:

AHDC Request for Additional Loan Funding for the Gateway Apartments Project, including Source & Uses and Proforma

STAFF:

Eric Keeler, Deputy Director, Office of Housing
Tamara Jovovic, Housing Analyst



**ALEXANDRIA
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August 28, 2018
Ms. Helen McIlvaine
Director, Office of Housing
City of Alexandria
421 King Street, Suite 200
Alexandria, VA 22314

RE: Gateway Apartments Funding Increase

Dear Ms. McIlvaine:

This letter is to update you on the status of the Gateway Apartments and to request a \$700,000 increase in the amount of the City loan that was approved in December 2015. The increased amount will allow AHDC to continue forward with a full financial closing in September and add 74 units of affordable housing to the new mixed use project at the corner of King Street and Beauregard.

Overview

AHDC's Gateway Apartments is a proposed 74 unit affordable housing apartment complex that is part of the West Alex mixed use project currently under construction at the corner of King and Beauregard Streets in Alexandria, VA. In September 2015, AHDC submitted an application to the Housing Opportunities Fund (HOF) for a loan of \$5.5 M to help cover the cost of the affordable housing project. The Alexandria Housing Affordability Advisory Committee (AHAAC) recommended approval of the loan application and the City Council approved the loan along with the project entitlements in December 2015. AHDC submitted a tax credit application to the Virginia Housing Development Authority (VHDA) in March 2016 and was awarded tax credits in June 2016.

Since the tax credit award, the real estate environment has shifted drastically. Due to tax reform, increasing interest rates, and a significant increase in construction costs, this project is now facing a funding gap of approximately \$700,000 that will prevent AHDC from closing when the podium is delivered at the end of September. The discussion below details the increase in costs for this project and AHDC's attempts to mitigate these increases over the past two years. In addition, I have attached to this letter the most recent sources and uses, and a 40 year cash flow projection.

Tax Credit Pricing

In March 2016 when AHDC submitted the tax credit application for the Gateway Apartments, tax credits in Northern Virginia were routinely selling for over \$1.10 per credit. After the 2016 presidential election, tax credit pricing dropped approximately 10 percent within a few months. In order to address this decrease in pricing, VHDA offered projects that had recently been awarded credits access to an additional \$100,000 in tax credit.

This was very helpful and allowed many projects, including Gateway Apartments to continue forward with a financing solution. However, even with the additional credits, the Gateway project lost approximately \$250,000 in equity due to the change in tax credit pricing.

Construction Cost and Interest Rates

In addition to the loss in value of tax credits, construction costs and interest rates have continued to climb over the past two years as this project has come to fruition. In December 2015 when the HOF loan was approved, Whiting Turner's construction cost was estimated to be \$11.9M. Over the past two years, construction costs have escalated and when AHDC received our guaranteed maximum price (GMP) schedule of values, the cost had increased to \$15.4 M. Over the past two months we have worked with Whiting Turner to reduce the costs of the project through a significant value engineering exercise that has reduced the GMP to \$14.1 M which represents a growth of approximately 19 percent. At the same time interest rates have more than tripled since the tax credit award which has caused the cost of our construction loan debt to increase.

AHDC Actions to Reduce Financing Shortfall

As mentioned above, AHDC has worked with Whiting Turner over the past several months to reduce construction costs of the project. This effort has resulted in a savings of approximately \$1.3 M. The changes will not impact the quality of the building's design. In addition, AHDC has worked with VHDA to drastically increase the amount of REACH funds that will be part of the permanent loan. REACH funds carry a low fixed interest rate of 2.95% which allows the project to carry more permanent debt while maintaining a similar annual debt payment. VHDA has agreed to fund this project with a 100% REACH loan, enabling the permanent loan to carry a blended interest rate of 2.73%. Finally, AHDC has submitted three applications to the Virginia Housing Trust Fund, but has yet to be successful.

Structure of Increased Loan Request

AHDC's increased loan request will be structured as an up to amount that will be drawn as part of the permanent take out loan when construction is complete. There may be opportunities to reduce the amount of funds needed for this project including buyout savings, leftover contingency and early delivery of units, and potentially, some alternative sources of funding. AHDC will only use the additional loan amount needed to ensure that only 50% of the developer fee is deferred and the property is operating at a healthy debt service coverage ratio.

Next Steps

The West Alex mixed use project is moving full steam ahead. Whiting Turner is currently moving forward with the last concrete pours on the podium in anticipation of turning the podium over to AHDC on September 13th. At that point AHDC will have 10 business days to close and we anticipate commencing wood framing construction on or before October 1, 2018.

We look forward to working with the City to fulfill the vision of the Gateway project, bringing 74 affordable housing units to the new West Alex mixed use community. We stand ready to answer any questions you have regarding the content of this letter or the project in general.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan O. Frederick". The signature is fluid and cursive, with the first name "Jonathan" being more prominent than the last name "Frederick".

Jonathan Frederick
Executive Director
Alexandria Housing Development Corporation

Cc: Eric Keeler, via email

Gateway At King/Beauregard
Summary
Gateway_08.28.18

Sources			Uses	
Equity			Development Costs	
Tax Credit Equity	16,409,314		Acquisition	11,230,000
Sponsor Equity	-		Architecture & Engineering	583,350
			Legal	400,000
Debt			Fees, Permits & Utilities	699,568
VHDA 1.95%	2,000,000		Other/Miscellaneous	491,513
VHDA 2.95%	7,160,000		Soft Cost Contingency	82,434
VHDA Taxable Bonds	-		Financing Costs	1,620,619
City of Alexandria	6,208,172		Reserves	682,950
HTF	-		Construction Costs	14,059,577
Deferred Developer Fee 47%	1,129,300		Hard Cost Contingency	702,979
Weingarten Reimbursement	65,000		Developer Fee	2,418,796
Total Sources	\$ 32,971,786		Total Uses	\$ 32,971,786
			Surplus/(Deficit)	0
Permanent Debt	\$ 9,160,000		Total Cost / Unit	445,565
Annual Debt Service	\$ 407,159		Hard Cost / Unit	189,994
Terms (Years)	35		Soft Cost / Unit	255,570
Interest Rate	2.73%			

Unit Type / Affordability Mix					
	%	No. Units		%	No. Units
Efficiency	9%	7	30% AMI	0%	0
One Bed	7%	5	40% AMI	11%	8
Two Bed	68%	50	50% AMI	39%	29
Three Bed	16%	12	60% AMI	50%	37
Four Bed	0%	0	80% AMI	0%	0
			100% AMI	0%	0
Total Units	100%	74	Total	100%	74

Project Schedule	
Development Start (Closing)	09/21/18
Community Opening	11/01/19
Construction Period (Months)	13
Lease-up Period (Months)	3
Perm Loan Conversion	01/31/20

Income & Operating Expenses	
	<u>Yr 1 Stabilized</u>
Revenue	
Potential Gross Income	\$1,131,962
Less: Vacancy Allowance	(56,598)
Effective Gross Income	1,075,364
Other Income	33,588
Total Income	1,108,952
Operating Expenses	
Administrative	114,494
Payroll	149,294
Utilities	42,818
Supplies & Services	80,691
Maintenance	66,713
Taxes & Insurance	160,132
Total Operating Expenses	614,142
Replacement Reserves	22,200
Net Operating Income	472,610
DSCR	
	1.16
OpEx per unit (incl RR)	\$ 8,599

Gateway At King/Beauregard
CF (Annual)
Gateway_08.28.18

Valuation:														
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
Revenue														
Rental		1,169,282	1,192,668	1,216,521	1,240,852	1,265,669	1,290,982	1,316,802	1,343,138	1,370,000	1,397,400	1,425,348	1,453,855	1,482,933
Vacancy		60,330	61,537	62,767	64,023	65,303	66,609	67,942	69,300	70,686	72,100	73,542	75,013	76,513
Total Revenue		1,108,952	1,131,131	1,153,754	1,176,829	1,200,365	1,224,373	1,248,860	1,273,837	1,299,314	1,325,300	1,351,806	1,378,842	1,406,419
Expense														
Administrative		114,494	117,928	121,466	125,110	128,863	132,729	136,711	140,813	145,037	149,388	153,870	158,486	163,240
Payroll		66,713	68,715	70,776	72,899	75,086	77,339	79,659	82,049	84,510	87,046	89,657	92,347	95,117
Utilities		80,691	83,112	85,605	88,173	90,818	93,543	96,349	99,240	102,217	105,283	108,442	111,695	115,046
Supplies & Services		42,818	44,102	45,425	46,788	48,192	49,638	51,127	52,661	54,240	55,868	57,544	59,270	61,048
Maintenance		160,132	164,936	169,884	174,981	180,230	185,637	191,206	196,942	202,851	208,936	215,204	221,660	228,310
Taxes & Insurance		149,294	153,773	158,386	163,138	168,032	173,073	178,265	183,613	189,121	194,795	200,639	206,658	212,858
Replacement Reserves		22,200	22,866	23,552	24,259	24,986	25,736	26,508	27,303	28,122	28,966	29,835	30,730	31,652
Total Expenses		636,342	655,432	675,095	695,348	716,208	737,694	759,825	782,620	806,099	830,281	855,190	880,846	907,271
Net Operating Income		472,610	475,699	478,659	481,481	484,157	486,678	489,035	491,217	493,216	495,019	496,616	497,997	499,148
DSCR		1.16	1.17	1.18	1.18	1.19	1.20	1.20	1.21	1.21	1.22	1.22	1.22	1.23
Debt														
VHDA 1.95%		78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889
VHDA 2.95%		328,270	328,270	328,270	328,270	328,270	328,270	328,270	328,270	328,270	328,270	328,270	328,270	328,270
VHDA Taxable Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-
City of Alexandria		-	-	-	-	-	-	-	-	-	-	-	-	-
HTF		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt		407,159	407,159	407,159	407,159	407,159	407,159	407,159	407,159	407,159	407,159	407,159	407,159	407,159
Net Sale Proceeds		-	-	-	-	-	-	-	-	-	-	-	-	-
Reversion Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow		65,451	68,540	71,500	74,322	76,998	79,519	81,876	84,058	86,057	87,860	89,457	90,838	91,989
Total Cash Flow		65,451	68,540	71,500	74,322	76,998	79,519	81,876	84,058	86,057	87,860	89,457	90,838	91,989
Deferred Fee Balance	1,129,300	1,086,435	1,039,623	988,916	934,372	876,061	814,063	748,469	679,380	606,911	531,189	452,355	370,565	285,986

Year	14	15	16	17	18	19	20	21	22	23	24	25	26	27
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Revenue														
Rental	1,512,591	1,542,843	1,573,700	1,605,174	1,637,277	1,670,023	1,703,423	1,737,492	1,772,242	1,807,686	1,843,840	1,880,717	1,918,331	1,956,698
Vacancy	78,043	79,604	81,196	82,820	84,477	86,166	87,890	89,647	91,440	93,269	95,135	97,037	98,978	100,957
Total Revenue	1,434,548	1,463,239	1,492,503	1,522,354	1,552,801	1,583,857	1,615,534	1,647,844	1,680,801	1,714,417	1,748,706	1,783,680	1,819,353	1,855,740

Administrative	168,138	173,182	178,377	183,728	189,240	194,918	200,765	206,788	212,992	219,381	225,963	232,742	239,724	246,916
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Administrative	168,138	173,182	178,377	183,728	189,240	194,918	200,765	206,788	212,992	219,381	225,963	232,742	239,724	246,916
Payroll	97,971	100,910	103,937	107,055	110,267	113,575	116,982	120,492	124,106	127,830	131,664	135,614	139,683	143,873
Utilities	118,497	122,052	125,714	129,485	133,370	137,371	141,492	145,737	150,109	154,612	159,250	164,028	168,949	174,017
Supplies & Services	62,879	64,766	66,709	68,710	70,771	72,894	75,081	77,334	79,654	82,043	84,505	87,040	89,651	92,341
Maintenance	235,159	242,214	249,481	256,965	264,674	272,614	280,793	289,216	297,893	306,830	316,035	325,516	335,281	345,340
Taxes & Insurance	219,243	225,821	232,595	239,753	246,760	254,163	261,788	269,642	277,731	286,063	294,645	303,484	312,588	321,966
Replacement Reserves	32,601	33,579	34,587	35,624	36,693	37,794	38,928	40,096	41,299	42,537	43,814	45,128	46,482	47,876
Total Expenses	934,489	962,524	991,399	1,021,141	1,051,776	1,083,329	1,115,829	1,149,304	1,183,783	1,219,296	1,255,875	1,293,551	1,332,358	1,372,329

Net Operating Income	500,059	500,715	501,104	501,212	501,025	500,528	499,705	498,541	497,018	495,121	492,830	490,128	486,995	483,412
DSCR	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.22	1.22	1.22	1.21	1.20	1.20	1.19

[illegible][illegible][illegible][illegible]

Operating Cash Flow	92,900	93,556	93,945	94,053	93,866	93,369	92,546	91,382	89,859	87,962	85,671	82,969	79,836	76,253
Total Cash Flow	92,900	93,556	93,945	94,053	93,866	93,369	92,546	91,382	89,859	87,962	85,671	82,969	79,836	76,253

[illegible]

Year	28	29	30	31	32	33	34	35	36	37	38	39	40
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Rental	1.995.832	2.035.749	2.076.464	2.117.993	2.160.353	2.203.560	2.247.631	2.292.584	2.338.435	2.385.204	2.432.908	2.481.566	2.531.197
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Administrative	254,323	261,953	269,811	277,906	286,243	294,830	303,675	312,785	322,169	331,834	341,789	352,043	362,604
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Total Expenses	1,413,499	1,455,904	1,499,581	1,544,568	1,590,905	1,638,632	1,687,791	1,738,425	1,790,578	1,844,295	1,899,624	1,956,613	2,015,311
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VHDA 1.95%	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	-	-	-	-	-
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Total Debt	407.159	407.159	407.159	407.159	407.159	407.159	407.159	407.159	-	-	-	-	-
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Operating Cash Flow	72,198	67,650	62,587	56,986	50,823	44,074	36,712	28,712	427,204	417,842	407,756	396,915	385,287
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Total Cash Flow	72,255	37,355	32,357	33,355	33,323	17,377	33,712	23,712	127,237	127,342	131,733	333,313	333,237
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City of Alexandria, Virginia

MEMORANDUM

DATE: AUGUST 29, 2018

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE (AHAAC)

FROM: HELEN S. McILVAINE, DIRECTOR, OFFICE OF HOUSING

SUBJECT: CONSIDERATION OF A REQUEST FROM AHDC FOR AN INCREASE OF \$1.7 MILLION IN THE CITY LOAN AMOUNT APPROVED FOR THE CARPENTER'S SHELTER REDEVELOPMENT PROJECT (THE BLOOM)

ISSUE: Additional City loan funds of \$1.7 million for The Bloom, AHDC's 97-unit affordable housing development.

RECOMMENDATION: Approve additional loan funds of \$1.7 million bringing the total permanent City loan amount to \$8.9 million.

BACKGROUND: In December 2016, at AHAAC's recommendation, City Council approved a loan to AHDC of "up to \$7.1 million" (including a previously authorized predevelopment loan of \$500,000) for a 97-unit affordable housing building to be developed in conjunction with, and above, a new Carpenter's Shelter facility on the ground floor level. The residential building will contain a mix of 87 units affordable at 40-60% of the area median income (AMI) and 10 deeply affordable units that will serve households transitioning from chronic homelessness, including case management support from Carpenter's Shelter. During the construction period, Carpenter's Shelter has temporarily relocated its administrative, case management and shelter activities to the vacant Macy's store space at Landmark Mall, which is being offered at no cost by the Howard Hughes Corporation.

Due to volatile construction pricing trends, including unprecedented increases in costs, labor shortages, and uncertainty regarding tariff policy which is driving the cost of some building materials sharply upward, the project construction budget has increased by more than 25% since AHDC's 2016 funding application. AHDC had been able to absorb several rounds of increases due to the cushion provided by its state and national housing grant award totaling \$1.6 million, increased VHDA loan funding and by deferring more of its developer fee, however, a gap projected to be up to \$1.7 million remains to be closed, and AHDC has requested that the City provide additional financial support now so the project can close and move forward in mid-September.

DISCUSSION: Steep increases in construction costs are impacting many Virginia tax credit projects. AHDC had an initial commitment from VHDA to fill the entire project gap, however, with so many tax credit projects potentially facing the same challenges, VHDA is no longer able to increase its support beyond what was approved in early July. Staff believe it is critical to keep the project moving forward and preserve the \$35+ M in committed non-City public and private dollars leveraged through the City's investment. The additional loan amount means that the City's per unit investment for The Bloom will increase from \$73,195 to \$91,814. Staff's analyses of construction costs among other regional tax credit projects underway or in the pipeline finds The Bloom's costs consistent with what is happening in the market.

FISCAL IMPACT: \$1,700,000 from the Housing Opportunities Fund to be added to the existing permanent residual receipts City loan.

ATTACHMENTS:

AHDC Request for Additional Loan Funding for The Bloom, including Sources and Uses and Proforma

STAFF:

Eric Keeler, Deputy Director, Office of Housing

Tamara Jovovic, Housing Analyst, Office of Housing



**ALEXANDRIA
HOUSING
DEVELOPMENT
CORPORATION**

801 N. Pitt Street #116
Alexandria, VA, 22314

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housingalexandria.org

August 28, 2018
Ms. Helen McIlvaine
Director, Office of Housing
City of Alexandria
421 King Street, Suite 200
Alexandria, VA 22314

RE: The Bloom at Braddock Funding Increase

Dear Ms. McIlvaine:

This letter is to update you on the status of the Carpenter's Shelter Redevelopment project and to request an additional \$1.7 M to assist with the funding shortfall that has been caused by increased construction costs. The increased amount will allow AHDC to continue forward with a closing in September and add 97 units of affordable housing to the rapidly growing Braddock Metro Area.

Overview

The Bloom at Braddock is a new affordable community that is planned for the Braddock Metro area in a partnership between AHDC and the Carpenter's Shelter. The project proposes to purchase the land associated with the Carpenter's Shelter and redevelop the parcel with a new shelter on the first level and 97 units of affordable rental housing above. AHDC submitted an application to the Housing Opportunities Fund (HOF) for a loan of \$7.1 M to help cover the cost of the 97 affordable housing units in October 2016. The Alexandria Housing Affordability Advisory Committee (AHAAC) recommended approval of the loan application and City Council approved the loan, along with the project entitlements, in December 2016. AHDC submitted a tax credit application to the Virginia Housing Development Authority (VHDA) in March 2017 and was awarded tax credits in June 2017.

Since AHDC was awarded tax credits in June 2017, construction costs and interest rates have continued to increase. The project is now facing a funding shortfall of approximately \$1.7 M as a result. The discussion below details the increase in costs for this project and AHDC's attempts to mitigate these increases over the past several months. In addition, I have attached to this letter the most recent sources and uses, and a 40 year cash flow projection.

Construction Cost and Interest Rates

Construction costs have increased at a rapid rate since AHDC submitted its Alexandria HOF loan in October 2016. Prior to submitting a second concept plan to the City in May 2016, AHDC selected Whiting Turner to assist the project with preconstruction services. At the time we submitted our HOF loan in October the construction cost of The Bloom residential building was anticipated to be \$22.9 M. After months of VE efforts to reduce the cost of the project, in consultation with Planning staff to ensure that building quality is maintained, the same building is estimated to cost \$28.3 M, an increase of approximately 25% in two years.

In addition, interest rates have continued to climb over the past two years, with our cost of construction debt increasing by approximately \$300,000.

AHDC Actions to Reduce Financing Gap

The current construction cost referenced above is the result of a several month effort by our development team to reduce the cost of the project while maintaining the level of quality design, construction and building materials the City desires. While AHDC has made a number of changes of the building over the past few months that reduced the cost by over \$2.0 M, there is still a shortfall.

AHDC has also worked with VHDA to increase the permanent loan on this project by increasing the amount of REACH debt used to finance the project. This effort with VHDA has allowed us to increase the permanent loan to \$10.35 M at a blended interest rate of 3.61%. This permanent loan is up from the estimated \$7.9 M loan that was anticipated when we submitted our HOF application in 2016. Unfortunately, VHDA was unable to increase the loan further as it has in a number of our other projects because so many projects throughout the Commonwealth are facing similar construction costs issues and need additional funds stretching the VHDA resources available.

Finally, this project was awarded \$1.6 M in housing trust fund dollars in early 2018. We worked with the Virginia Department of Housing and Community Development (DHCD) to reduce the interest rate on this funding from 3% interest only to .5% interest only.

Structure of Increased Loan Request

AHDC's increased loan request will be structured as an up to amount that will be drawn as part of the permanent take out loan when construction is complete. We are hopeful that there may be opportunities to reduce the amount of funds needed through buyout savings, leftover contingency and early delivery of units. AHDC will only use so much of the additional loan amount as is needed to ensure that only 50% of the developer fee is deferred and the property is operating as a healthy debt service coverage ratio.

Next Steps

AHDC has been working diligently over the past several months to complete all project documents with our investment and initial lending partner, Wells Fargo. In addition, we have a contract with Whiting Turner that is ready to be executed to start construction. If the additional funds requested are approved, AHDC will be able to close on the project and begin construction. We are available to answer any questions you may have about this additional request and we look forward to working with you to get this project under construction in September.

Sincerely,



Jonathan Frederick
Executive Director
Alexandria Housing Development Corporation

Cc: Eric Keeler, via email

North Henry Apartments
Summary (Residential)
SUMMARY

Sources			Uses	
Equity			Development Costs	
Tax Credit Equity	22,568,561		Acquisition	6,280,000
			Development Soft Costs	4,703,176
			Reserves	660,949
Debt			Financing Costs	1,922,041
VHDA 1.95%	2,000,000		Construction Costs	28,351,058
VHDA 2.95%	5,000,000		Developer Fee	2,900,000
VHDA Taxable Bonds	3,350,000			
City of Alexandria	8,800,000			
NHTF/SHTF	1,600,000			
Deferred Developer Fee	52%	1,498,663		
Total Sources	\$ 44,817,224		Total Uses	\$ 44,817,224
			Surplus/(Deficit)	(0)
Permanent Debt	\$ 10,350,000		Total Cost / Unit	462,033
Annual Debt Service	\$ 534,649		Hard Cost / Unit	292,279
Terms (Years)	35		Soft Cost / Unit	169,754
Interest Rate	3.61%			

Unit Type / Affordability Mix					
	%	No. Units		%	No. Units
Efficiency	10%	10	30% AMI	6%	6
One Bed	4%	4	40% AMI	4%	4
Two Bed	74%	72	50% AMI	40%	39
Three Bed	11%	11	60% AMI	49%	48
Four Bed	0%	0	80% AMI	0%	0
			100% AMI		0
Total Units	100%	97	Total	100%	97

Project Schedule	
Purchase/Dev Start	08/07/18
Comm Operating Date	03/01/20
Const Period (Months)	18
Lease-up Period (Months)	6
Perm Loan Conversion Date	04/01/20

Income & Operating Expenses	
	<u>Yr 1 Stabilized</u>
Revenue	
Potential Gross Income	\$1,472,280
Less: Vacancy Allowance	(73,614)
Effective Gross Income	1,398,666
Other Income	-
Total Income	1,398,666
Operating Expenses	
Administration	147,031
Payroll	158,382
Utilities	43,542
Supplies & Services	60,623
Maintenance	83,116
Taxes, Insurance & Escrows	244,554
Total Operating Expenses	737,249
Replacement Reserves	29,100
Net Operating Income	632,317
DSCR	
	1.18
OpEx per unit (excl RR)	\$ 7,601

North Henry Apartments
CF (Annual)
SUMMARY

Valuation:																						
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Revenue																						
Rental		1,472,280	1,501,726	1,531,760	1,562,395	1,593,643	1,625,516	1,658,026	1,691,187	1,725,011	1,759,511	1,794,701	1,830,595	1,867,207	1,904,551	1,942,642	1,981,495	2,021,125	2,061,547	2,102,778	2,144,834	2,187,731
Vacancy		73,614	75,086	76,588	78,120	79,682	81,276	82,901	84,559	86,251	87,976	89,735	91,530	93,360	95,228	97,132	99,075	101,056	103,077	105,139	107,242	109,387
Total Revenue		1,398,666	1,426,639	1,455,172	1,484,276	1,513,961	1,544,240	1,575,125	1,606,628	1,638,760	1,671,535	1,704,966	1,739,065	1,773,847	1,809,324	1,845,510	1,882,420	1,920,069	1,958,470	1,997,639	2,037,592	2,078,344
Expense																						
Administration		147,031	151,442	155,985	160,664	165,484	170,449	175,562	180,829	186,254	191,842	197,597	203,525	209,631	215,920	222,397	229,069	235,941	243,019	250,310	257,819	265,554
Payroll		158,382	163,133	168,027	173,068	178,260	183,608	189,116	194,790	200,634	206,653	212,852	219,238	225,815	232,589	239,567	246,754	254,157	261,781	269,635	277,724	286,055
Utilities		43,542	44,849	46,194	47,580	49,007	50,478	51,992	53,552	55,158	56,813	58,517	60,273	62,081	63,944	65,862	67,838	69,873	71,969	74,128	76,352	78,642
Supplies & Services		60,623	62,442	64,315	66,245	68,232	70,279	72,387	74,559	76,796	79,100	81,473	83,917	86,434	89,027	91,698	94,449	97,283	100,201	103,207	106,303	109,493
Maintenance		83,116	85,609	88,178	90,823	93,548	96,354	99,245	102,222	105,289	108,447	111,701	115,052	118,503	122,058	125,720	129,492	133,376	137,378	141,499	145,744	150,116
Taxes, Insurance & Escrows		244,554	251,891	259,448	267,231	275,248	283,505	292,011	300,771	309,794	319,088	328,661	338,520	348,676	359,136	369,910	381,008	392,438	404,211	416,337	428,827	441,692
Replacement Reserves		29,100	29,973	30,872	31,798	32,752	33,735	34,747	35,789	36,863	37,969	39,108	40,281	41,490	42,734	44,016	45,337	46,697	48,098	49,541	51,027	52,558
Total Expenses		766,349	789,339	813,019	837,410	862,532	888,408	915,060	942,512	970,788	999,911	1,029,908	1,060,806	1,092,630	1,125,409	1,159,171	1,193,946	1,229,765	1,266,658	1,304,657	1,343,797	1,384,111
Net Operating Income		632,317	637,300	642,153	646,866	651,429	655,832	660,065	664,115	667,973	671,624	675,058	678,260	681,217	683,915	686,339	688,474	690,304	691,813	692,982	693,795	694,233
DSCR		1.18	1.19	1.20	1.21	1.22	1.23	1.23	1.24	1.25	1.26	1.26	1.27	1.27	1.28	1.28	1.29	1.29	1.29	1.30	1.30	1.30
Debt																						
Tranche 1		78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889
Tranche 2		229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239
Tranche 3		218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521
Tranche 4		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 5		8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total Debt		534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649
Net Sale Proceeds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversion Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow		97,668	102,651	107,504	112,217	116,780	121,183	125,416	129,467	133,324	136,975	140,409	143,611	146,568	149,266	151,690	153,825	155,655	157,164	158,333	159,146	159,584
Total Cash Flow		97,668	102,651	107,504	112,217	116,780	121,183	125,416	129,467	133,324	136,975	140,409	143,611	146,568	149,266	151,690	153,825	155,655	157,164	158,333	159,146	159,584
Deferred Fee Balance	1,498,663	1,430,968	1,356,936	1,276,571	1,189,885	1,096,903	997,658	892,195	780,573	662,860	539,142	409,516	274,096	133,010	-	-	-	-	-	-	-	-
Residual Payment		0	0	0	0	0	0	0	0	0	0	0	0	0	74,633	75,845	76,913	77,828	78,582	79,167	79,573	79,792

North Henry Apartments
CF (Annual)
SUMMARY

Valuation:																				
	Year	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
Revenue																				
Rental		2,231,485	2,276,115	2,321,637	2,368,070	2,415,431	2,463,740	2,513,015	2,563,275	2,614,541	2,666,831	2,720,168	2,774,571	2,830,063	2,886,664	2,944,397	3,003,285	3,063,351	3,124,618	3,187,110
Vacancy		111,574	113,806	116,082	118,403	120,772	123,187	125,651	128,164	130,727	133,342	136,008	138,729	141,503	144,333	147,220	150,164	153,168	156,231	159,356
Total Revenue		2,119,911	2,162,309	2,205,555	2,249,666	2,294,660	2,340,553	2,387,364	2,435,111	2,483,814	2,533,490	2,584,160	2,635,843	2,688,560	2,742,331	2,797,178	2,853,121	2,910,183	2,968,387	3,027,755
Expense																				
Administration		273,521	281,726	290,178	298,883	307,850	317,085	326,598	336,396	346,488	356,882	367,589	378,616	389,975	401,674	413,724	426,136	438,920	452,088	465,650
Payroll		294,637	303,476	312,580	321,958	331,617	341,565	351,812	362,366	373,237	384,435	395,968	407,847	420,082	432,684	445,665	459,035	472,806	486,990	501,600
Utilities		81,002	83,432	85,935	88,513	91,168	93,903	96,720	99,622	102,611	105,689	108,860	112,125	115,489	118,954	122,522	126,198	129,984	133,884	137,900
Supplies & Services		112,777	116,161	119,645	123,235	126,932	130,740	134,662	138,702	142,863	147,149	151,563	156,110	160,793	165,617	170,586	175,703	180,974	186,404	191,996
Maintenance		154,620	159,258	164,036	168,957	174,026	179,247	184,624	190,163	195,868	201,744	207,796	214,030	220,451	227,065	233,876	240,893	248,120	255,563	263,230
Taxes, Insurance & Escrows		454,943	468,591	482,649	497,129	512,042	527,404	543,226	559,523	576,308	593,598	611,405	629,748	648,640	668,099	688,142	708,786	730,050	751,952	774,510
Replacement Reserves		54,135	55,759	57,431	59,154	60,929	62,757	64,640	66,579	68,576	70,633	72,752	74,935	77,183	79,498	81,883	84,340	86,870	89,476	92,160
Total Expenses		1,425,634	1,468,403	1,512,455	1,557,829	1,604,564	1,652,701	1,702,282	1,753,350	1,805,951	1,860,129	1,915,933	1,973,411	2,032,613	2,093,592	2,156,400	2,221,092	2,287,724	2,356,356	2,427,047
Net Operating Income		694,277	693,906	693,100	691,838	690,096	687,852	685,082	681,761	677,863	673,361	668,227	662,432	655,946	648,739	640,778	632,029	622,459	612,031	600,708
DSCR		1.30	1.30	1.30	1.29	1.29	1.29	1.28	1.28	1.27	2.26	2.25	2.23	2.21	2.18	2.93	2.89	2.85	2.80	2.75
Debt																				
Tranche 1		78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	78,889	-	-	-	-	-
Tranche 2		229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	229,239	-	-	-	-	-	-	-	-	-	-
Tranche 3		218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521	218,521
Tranche 4		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 5		8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	-	-	-	-	-	-	-	-	-	-
Total Debt		534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	534,649	297,410	297,410	297,410	297,410	297,410	218,521	218,521	218,521	218,521	218,521
Net Sale Proceeds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversion Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow		159,628	159,257	158,451	157,189	155,447	153,203	150,433	147,112	143,214	375,951	370,817	365,022	358,536	351,329	422,257	413,508	403,938	393,510	382,187
Total Cash Flow		159,628	159,257	158,451	157,189	155,447	153,203	150,433	147,112	143,214	375,951	370,817	365,022	358,536	351,329	422,257	413,508	403,938	393,510	382,187
Deferred Fee Balance	1,498,663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual Payment		79,814	79,629	79,226	78,594	77,724	76,602	75,217	73,556	71,607	187,975	185,408	182,511	179,268	175,665	211,128	206,754	201,969	196,755	191,093